

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 OMB-01 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 AID-20 COME-00 EB-11 LAB-06 SIL-01

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FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 9308

INFO AMEMBASSY MANILA

CINCPAC

LIMITED OFFICIAL USE SECTION 1 OF 2 BANGKOK 19956

E.O. 11652: N/A

SUBJECT: LABOR'S EMERGING ROLE - AN ASSESSMENT

1. SUMMARY. LABOR HAS NOW EMERGED AS POWERFUL FORCE IN THAI SOCIETY DESPITE SMALL NUMBER OF ORGANIZED WORKERS. STRIKE WEAPON FIRST EMPLOYED EFFECTIVELY IN THAILAND PAST SUMMER AND MORE INTENSE STRIKE WAVE WHICH FOLLOWED IN NOVEMBER AND WELL INTO DECEMBER HAS NOW RECEDED SOMEWHAT, ALTHOUGH MORE U.S. FIRMS AND USG ITSELF HAVE BEEN RECENT TARGETS. THAI LABOR LAW EXPECTED TO BE REVISED IN RESPONSE TO NEW WORKER MILITANCY, AND BUSINESS-LABOR BATTLE FOR INFLUENCE WITH SANYA GOVERNMENT SHAPING UP OVER ISSUE IMPLEMENTATION FIRST SOCIAL SECURITY LEGISLATION. LABOR DEPT, STUDENT GROUPS, AND WORKERS' ASSOCIATIONS ALL ATTEMPTING TO INFLUENCE OR CONTROL LABOR MOVEMENT WITHOUT MUCH SUCCESS ALTHOUGH LATTER MAKING SOME INROADS. LABOR IS NOT REPRESENTED IN NEW NATIONAL LEGISLATIVE ASSEMBLY, BUT SOME INDIVIDUALS ARE TRYING TO POLITICIZE MOVEMENT DESPITE GENERAL OPPOSITION FROM LABOR LEADERS. SPORADIC STRIKES EXPECTED TO CONTINUE, ALTHOUGH AT REDUCED LEVEL, IN RESPONSE TO ESCALATING LIVING COSTS IN WHICH  
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OIL CRISIS PLAYING SIGNIFICANT ROLE. U.S. CAN EXERT ONLY LIMITED INFLUENCE IN LOCAL LABOR SCENE THROUGH SUCH MEANS AS POSSIBLE AAFI WORKER EDUCATION PROGRAM AND PROPER HANDLING OF ITS OWN THAI WORK FORCE. END SUMMARY.

## 2. EMERGENCE OF LABOR

LABOR IS EMERGING AS A POWERFUL FORCE IN THAI SOCIETY FOR THE FIRST TIME EXCEPT FOR A BRIEF PERIOD IN THE 1950'S. THIS DEVELOPMENT OCCURRING DESPITE FACT THAT THERE ARE NO NATIONAL UNIONS AND NUMBER OF ORGANIZED WORKERS PROBABLY DOESN'T EXCEED 10,000 OF A TOTAL INDUSTRIAL WORKER FORCE OF 400,000. EVEN THAT SMALL NUMBER IS SCATTERED AMONG 22 "WORKERS' ASSOCIATIONS" IN A WIDE VARIETY OF INDUSTRIES. INDUSTRIAL WORK FORCE ITSELF IS ONLY A SMALL PART OF A 17 MILLION TOTAL WORK FORCE, BUT ITS CONCENTRATION IN BANGKOK AREA CLOSE TO THE SEAT OF POWER GREATLY ENHANCES ITS POTENTIAL INFLUENCE. INDUSTRIAL WORK FORCE AS A WHOLE TENDS TO BE POORLY-EDUCATED, UNSOPHISTICATED, AND UNWILLING TO PARTICIPATE IN OTHER THAN AD HOC ORGANIZATIONS FOR DEALING WITH MANAGEMENT. HOWEVER, HAVING DEMONSTRATED ITS POWER ON SIGNIFICANT SCALE SINCE NOVEMBER 1, LABOR IS NOW BEING EYED COVETOUSLY BY A VARIETY OF INDIVIDUALS AND GROUPS WHO SEEK ITS SUPPORT IN THE FREER POLITICAL ENVIRONMENT USHERED IN BY THE OCTOBER CHANGE OF GOVERNMENT.

## 3. STRIKES

IN RETROSPECT, THE SUMMER OF 1973 WILL PROBABLY BE IDENTIFIED AS THE TIME IN WHICH THAI WORKERS LEARNED TO USE THE STRIKE WEAPON EFFECTIVELY, ALBEIT AGAINST LITTLE OPPOSITION, TO REDRESS LONG-STANDING GRIEVANCES OF LOW WAGES AND INFERIOR WORKING CONDITIONS. THE FIRST WAVE OF STRIKES BEGAN IN JUNE AND RECEDED ONLY IN SEPTEMBER; THE SECOND (AND CURRENT) WAVE STARTED AT THE BEGINNING OF NOVEMBER, REACHED A HIGH POINT ABOUT DECEMBER 1 AND HAS RECEDED SOMEWHAT SINCE THAT TIME, AT LEAST AS REGISTERED BY NUMBERS. THE FOCUS OF THIS SECOND WAVE WAS INITIALLY THE STATE ENTERPRISES, BUT MORE RECENT STRIKES HAVE BEEN IN THE PRIVATE SECTOR FOR THE MOST PART. THE 1973 STRIKES HAVE GENERALLY FOLLOWED THE PREDICTABLE PATTERN OF BREAKING OUT IN THOSE PORTIONS OF THE WORK FORCE IN WHICH GRIEVANCES WERE MOST SEVERELY FELT, THEN PASSING GRADUALLY TO OTHER AREAS WHERE THE LOT OF THE WORKERS WAS RELATIVELY FAVORABLE AND IN SOME INSTANCES EVEN GOOD BY THAI STANDARDS. THUS, LIMITED OFFICIAL USE  
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AS THIS SECOND WAVE HAS RECEDED IN DECEMBER PRIVATE AMERICAN EMPLOYERS AND, FINALLY, THE U.S. GOVERNMENT ITSELF HAVE BEEN AFFECTED. FIRST SOME AMERICAN OWNED OR MANAGED HOTELS, THEN SUCH PRIVATE FIRMS AS CHASE MANHATTAN, ESSO, AND FORD, FOLLOWED BY ONE U.S. MILITARY CONTRACTOR (TRANS-ASIA), AND, FINALLY, THE THAILAND REGIONAL EXCHANGE HAVE BEEN HIT BY LABOR DISPUTE. LATTER IS THE FIRST INSTANCE OF DIRECT-HIRE THAI EMPLOYEES OF USG ORGANIZATION GOING OUT ON STRIKE. THERE ARE A VARIETY OF REASONS WHY CURRENT STRIKE WAVE HAS RECEDED SOMEWHAT. THESE INCLUDE CABINET'S DECISIONS TO IMPROVE LOT OF RTG WORKERS, PRIME MINISTER SANYA'S REPEATED PLEAS FOR RESTRAINT, THE 22 WORKERS' ASSOCIATIONS' JOINT CALL FOR A MORATORIUM, THE THREE

STUDENT GROUPS' JOINT REQUEST FOR A HALT TO THE STRIKES, SOME SELF-CENSORSHIP BY THE MEDIA ON STRIKE NEWS, AND, PERHAPS MOST IMPORTANTLY, FACT THAT BULK OF ENTERPRISES HAVE ALREADY GRANTED WORKERS' DEMANDS EITHER IN RESPONSE TO OR IN ANTICIPATION OF STRIKE ACTION.

#### 4. THE LABOR LAW

MUCH BLAME FOR CURRENT LABOR UNREST IS ASCRIBED TO COMPREHENSIVE LABOR LAW OF 1972. HOWEVER, NONE OF RECENT STRIKES HAS FOLLOWED PROVISIONS OF THAT LAW (INCLUDING LENGTHY "COOLING-OFF" PERIOD) AND, INDEED, LAW ITSELF IS EXPECTED TO BE REVISED TO MAKE STRIKE PROVISION MORE LIBERAL IN ACCORDANCE WITH ACTUAL PRACTICE. LABOR DEPARTMENT DIRECTOR GENERAL NIKHOM HAS INDICATED THAT HIS DEPARTMENT'S SUGGESTED REVISIONS WILL INCLUDE A 48-HOUR PRIOR NOTICE REQUIREMENT BEFORE STRIKES AND A PROVISION TO ALLOW THE FORMATION OF NATIONAL INDUSTRIAL UNIONS. THE LABOR LAW MINIMUM WAGE PROVISION HAS BEEN PUT INTO EFFECT IN THE BANGKOK AREA AND HAS RECENTLY BEEN RAISED TO 16 BAHT (EIGHTY CENTS) PER DAY. FINALLY, A STORM IS BREWING AROUND THE WORKMEN'S COMPENSATION FUND PROVISION OF THE LAW WHICH IS TO GO INTO EFFECT IN THE BANGKOK AREA FOR THE FIRST TIME ON A COMPULSORY BASIS BEGINNING JANUARY 1, 1974 (SEE BANGKOK 19704). IN BRIEF, LOCAL BUSINESSMEN HAVE MOUNTED A CAMPAIGN TO POSTPONE IMPLEMENTATION OF THE FUND AND HAVE RECEIVED STRONG SUPPORT IN THE CABINET BUT LATTER DECIDED DECEMBER 25 TO GO AHEAD WITH FUND AS ORIGINALLY SCHEDULED.

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ACTION EA-14

INFO OCT-01 ISO-00 OMB-01 CIAE-00 DODE-00 PM-07 H-03

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5. THE LEADERSHIP STRUGGLE

DESPITE ITS DEMONSTRATED POWER TO SHAPE EVENTS, LABOR REMAINS AN ESSENTIALLY LEADERLESS BLOC WITH A VARIETY OF INDIVIDUALS AND ORGANIZATIONS SEEKING TO CONTROL IT. THE RTG LABOR DEPT ITSELF HAS TRIED TO DOMINATE THE WORKERS, PARTICULARLY SINCE THE ENACTMENT OF THE 1972 LABOR LAW.

6. HOWEVER, AS THE STRIKE SITUATION HAS EVOLVED OVER THE PAST SIX MONTHS, IT HAS BECOME INCREASINGLY CLEAR THAT THE DEPARTMENT WILL NOT BE ABLE TO CONTROL THE MOVEMENT. THE RELATIVE HANDFUL OF GENUINE LABOR LEADERS, SEVERAL OF WHOM GO BACK TO THE PHIBUL ERA OF 1950'S HAVE TAKEN LEAD IN FORMATION OF THE PRESENT 22 WORKERS' ASSOCIATIONS AND SUBSEQUENTLY HAVE WORKED TO EXPAND THEIR MEMBERSHIP AND EDUCATE MEMBERS ABOUT THEIR RIGHTS. MOST RECENTLY, THESE LEADERS HAVE PLAYED A "FIREMAN" ROLE IN GOING TO THE SITES OF STRIKES AND OFFERING THEIR SERVICES TO MANAGEMENT IN GETTING THE STRIKERS BACK TO WORK, WHILE AT SAME TIME SUPPORTING THE WORKERS' DEMANDS. THEY ALSO HAVE FREQUENTLY USED SUCH OCCASIONS  
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TO DEMONSTRATE TO MANAGEMENT AND WORKERS ALIKE THE VALUE OF HAVING A WORKER ORGANIZATION.

7. INDIVIDUAL STUDENT LEADERS AND STUDENT ORGANIZATIONS HAVE ALSO ATTEMPTED TO EXERT INFLUENCE OVER THE LABOR MOVEMENT, BUT WITHOUT MUCH SUCCESS. EVEN COMMUNIST RADIO BROADCASTS TO THAILAND HAVE SHOWN AN INTEREST IN THAI LABOR STRIFE RECENTLY AND, BY CHEERING THE WORKERS ON, ATTEMPTED TO IDENTIFY THEMSELVES WITH THEIR CAUSE. NEVERTHELESS, THE PATTERN CONTINUES TO BE ONE OF WILDCAT STRIKES INDICATIVE OF THE INDEPENDENT THAI CHARACTER. THIS ASPECT IS ALSO REFLECTED IN A RELUCTANCE TO PARTICIPATE IN ORGANIZED LABOR OR SUPPORT THE CONCEPT OF ELECTED PERMANENT LABOR LEADERS.

8. LABOR AND POLITICS

EARLY IN 1973 ONE OF THE MOST PROMINENT THAI LABOR LEADERS TOLD EMBOFF THAT CHANCE OF LABOR MOVEMENT SURVIVING AND REMAINING FREE OF POLITICAL INFLUENCE WOULD DEPEND ON ABSENCE OF ELECTIONS FOR AT LEAST TWO YEARS. NOW PROSPECTS ARE THAT THERE WILL BE ELECTIONS IN MID-1974, AND ALREADY THERE ARE SOME SIGNS OF POLITICAL INTEREST IN LABOR MOVEMENT IF NOT VICE VERSA. INDEED, SAME LABOR LEADER MENTIONED ABOVE WAS APPOINTED BY KING AS ONLY READILY IDENTIFIABLE LABOR MEMBER OF NATIONAL CONVENTION WHICH HAS JUST CHOSEN NEW NATIONAL LEGISLATIVE ASSEMBLY TO DEBATE AND RATIFY NEW CONSTITUTION. (HOWEVER, NEW NLA ITSELF HAS NO LABOR REPRESENTATIVES.) LABOR DEPT DG NIKHOM HIMSELF WAS MEMBER OF PREVIOUS NLA, AND HAS JUST BEEN ELECTED TO NEW NLA. MOREOVER, HE INDICATED APPROVINGLY TO EMBOFF THAT DEMOCRATIC PARTY, WHICH HE REGARDS AS LIKELY WINNER OF ANY NATIONAL ELECTION, HAS SEVERAL LEADERS

INTERESTED IN LABOR AFFAIRS. ANOTHER SOURCE OF POLITICAL INTEREST IN THE LABOR MOVEMENT IS LT. GEN. SAWAENG, MINISTER ATTACHED TO PM'S OFFICE, WHO IS UNDERSTOOD TO HAVE BEEN INVITING LABOR LEADERS TO HIS HOME FOR POLITICAL MEETINGS. NEVERTHELESS, MOST LABOR LEADERS CONTINUE TO EXPRESS OPPOSITION TO LABOR'S PARTICIPATION IN POLITICS.

#### 9. OUTLOOK

IF STUDENTS DESERVE PRIMARY CREDIT FOR BRINGING SANYA GOVERNMENT TO POWER, WORKERS HAVE DEMONSTRATED ALREADY THAT THEY MAY AT SOME POINT HAVE THE POWER TO BRING THAT GOVERNMENT DOWN.

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WHETHER BY DESIGN OR NOT THEY HAVE KEPT PUBLIC GOODWILL DURING THIS LONG STRIKE PERIOD BY AVOIDING VIOLENCE (EXCEPT IN TWO MINOR INSTANCES) AND NOT INCONVENIENCING THE PUBLIC UNDULY, AT LEAST NOT FOR ANY SIGNIFICANT PERIOD OF TIME. AS LONG AS PRESENT ATMOSPHERE OF FREE EXPRESSION CONTINUES IN THAILAND, AND PARTICULARLY AFTER LONG PERIOD OF REPRESSION, LIKELIHOOD IS THAT STRIKE WEAPON WILL CONTINUE TO BE EMPLOYED AS IT IS IN OTHER FREE NATIONS AND PARTICULARLY AS LONG AS PRICE PRESSURES PERSIST. LATTER ARE CURRENTLY BEING INFLUENCED BY OIL CRISIS AND WORLD INFLATIONARY DEVELOPMENTS TO WHICH THAILAND REMAINS SUBJECT BECAUSE OF HEAVY DEPENDENCE ON IMPORTS. LABOR LEADERS ALSO HAVE TOLD EMBASSY OFFICER THAT THEY EXPECT RENEWED STRIKE ACTIVITY WHEN YEAR-END BONUSES ARE PAID WITH OBJECT OF SECURING INCREASES OR BONUSES FROM ENTERPRISES THAT HAVE NOT PREVIOUSLY GIVEN THEM.

10. POSITION OF MANAGEMENT ALSO LIKELY TO HAVE HARDENED BY THEN AS PUBLICITY CAMPAIGN NOW BEING MOUNTED BY BUSINESS LEADERS AGAINST LABOR, ACCUSING LATTER OF IRRESPONSIBLE AND ILLEGAL BEHAVIOR, AND OF CAUSING UNREST WHICH HAS HURT TOURISM, INVESTMENT, AND THE ECONOMY GENERALLY. THIS CAMPAIGN ALREADY HAVING SOME EFFECT, PARTICULARLY IN SYMPATHETIC AREAS OF RTG. LATTER WAS FACED WITH CRUCIAL DECISION ON IMPLEMENTATION JANUARY 1 OF WORKMEN'S COMPENSATION FUND, OPPOSED BY BUSINESS BUT SUPPORTED BY LABOR AND INTELLECTUALS. THIS ISSUE NOW AT LEAST TEMPORARILY RESOLVED BY CABINET DECISION DECEMBER 25 TO APPROVE IMPLEMENTATION DATE AS SCHEDULED. HOWEVER, DIFFICULTIES BETWEEN RTG AND LABOR SUPPORTERS MAY DEVELOP SUBSEQUENTLY OVER IMPLEMENTATION. FOR TIME BEING GOVERNMENT'S ACTION WILL BE WELL RECEIVED.

11. QUESTION OF WHETHER OR NOT CURRENT LABOR LEADERS WILL BE ABLE TO ESTABLISH THEIR CREDENTIALS AS BONA FIDE LEADERS OF MOVEMENT IS ALSO EXTREMELY IMPORTANT BUT VERY MUCH IN DOUBT. A FEW OF THEM HAVE BEEN QUITE SUCCESSFUL IN RIDING THE CURRENT STRIKE WAVE TO THE TOP AND IN IDENTIFYING THEMSELVES TO WORKERS, EMPLOYERS, AND THE GENERAL PUBLIC AS RESPONSIBLE LEADERS. MANY OF THEM ARE UNEDUCATED, UNSOPHISTICATED, AND ILL-PREPARED FOR LEADERSHIP ROLES OF A SUDDENLY-POTENT LABOR MOVEMENT. NEVERTHELESS THE CHANCES NOW ARE THAT THEY WILL ACHIEVE GREATER

ACCEPTANCE FROM ALL PARTIES AS GENUINE REPRESENTATIVES OF THE  
WORKERS. THERE IS NO PRESENT PROSPECT THAT STRIKE ACTION WILL CEASE  
AND, AS HAS ALREADY BECEN DEMONSTRATED, AMERICAN COMPANIES AND  
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THE USG ITSELF (INCLUDING ITS CONTRACTORS) WILL NOT BE IMMUNE  
DESPITE THEIR GENERALLY GOOD RECORD OF PROVIDING MORE THAN THE  
AVERAGE EMPLOYER IN THAILAND.

12. WHAT SHOULD U.S. DO?

U.S. CAN EXERT ONLY LIMITED INFLUENCE ON FUTURE ROLE OF LABOR IN  
THAILAND. USOM'S LABOR PROGRAM, WHICH WAS IMPORTANT IN HELPING  
ESTABLISH AND TRAIN RTG LABOR DEPT AND IN WRITING THE COMPR

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## Message Attributes

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